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Memorandum for the National Intelligence Authority
with the Unanimous Concurrence
of the Intelligence Advisory Board

SUBJECT: POLICY ON LIQUIDATION OF THE STRATEGIC SERVICES UNIT

1. C.I.G. Directive No. 1 initiated a survey of the activities of the Strategic Services Unit. This survey has been conducted by an ad hoc committee established by reference directive. The committee was directed to submit a report of findings, conclusions and recommendations to the Director of Central Intelligence, who in turn would prepare suitable recommendations for the action of the National Intelligence Authority after concurrence or comment by the Intelligence Advisory Board. The Director of the Federal Bureau of Investigation presided as a member of the Advisory Board for consideration of these recommendations.

2. The report has been submitted by the ad hoc committee to the Director of Central Intelligence, who concludes that:

a. The War Department should continue to assume full budgetary responsibility through the Fiscal Year 1947 for the liquidation of SSU and its operations pending such liquidation.

b. The War Department's liquidation of SSU and the further disposition of the resources, facilities, operating functions and personnel of SSU should be under the direction of the Director of Central Intelligence.

c. Pending liquidation the Strategic Services Unit should be administered and operated by the War Department in accordance with directives issued by the Director of Central Intelligence.

Recommendations:

It is recommended that:

a. The National Intelligence Authority approve the attached draft directive (Enclosure A), subject: "Policy on Liquidation of the Strategic Services Unit".

CONFIDENTIAL

CONFIDENTIAL

b. The Secretary of War be requested to issue the instructions to the Director of SSU substantially in accordance with the attached draft (Enclosure B).

SIDNEY W. SOVERS
Director

CONFIDENTIAL

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References: A. The Executive Order of 20 September 1945, subject: "Termination of the Office of Strategic Services and Disposition of Its Functions"

B. C.I.G. Directive No. 1

Pursuant to paragraph 1 of the letter from the President dated 22 January 1946 which designated this Authority as responsible for planning, developing and coordinating the Federal foreign intelligence activities so as to assure the most effective accomplishment of the intelligence mission related to the national security, the following policies and procedures relating to the liquidation of the Strategic Services Unit are announced:

1. The national interest demands that the complete liquidation of SSU shall not be accomplished until it is determined which of its functions and activities are required to be continued and suitable arrangements are made therefor, in order that its useful assets may be available to the agency or agencies which are to carry on such functions or activities. Such determinations and arrangements shall be made, and the liquidation shall be completed as promptly as possible and prior to 1 July 1947. The War Department will take the necessary budgetary action to carry out this program.
2. The liquidation of SSU shall be coordinated with the development of the permanent peace-time Federal intelligence program. The Director of Central Intelligence shall issue the necessary directives to effect the liquidation and to provide for this coordination. He will make recommendations to this Authority as to the intelligence activities permanently required in the peace-time intelligence effort.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

3. During the period of liquidation, the SSU should be administered and operated so as to service the intelligence agencies subject to our coordination. The Director of Central Intelligence shall issue the necessary directives to the Director of SSU to ensure that this service is performed so as to accomplish this mission.

4. With respect to any authorized function that is assumed by C.I.G., the Director of Central Intelligence will be responsible for effecting the necessary arrangements whereby personnel and facilities of SSU that are useful for the performance of such functions may be transferred to the C.I.G.

(Enclosure A)

CONFIDENTIAL

CONFIDENTIAL

WAR DEPARTMENT

Washington, D. C.

MEMORANDUM FOR: The Director, Strategic Services Unit

Effective immediately, you are directed to continue the liquidation of the Strategic Services Unit (SSU) as ordered in paragraph 3 of the Executive Order dated 20 September 1945, subject: "Termination of the Office of Strategic Services and Disposition of Its Functions". The liquidation will be completed not later than 30 June 1947.

The liquidation of SSU will be coordinated with the development of the permanent peace-time intelligence program. You will carry out the liquidation in accordance with instructions of the Director of Central Intelligence or his designated representative. The Director or his representative will deal directly with you. He will have such staff as he requires working with SSU.

During the period of liquidation you will administer and operate the SSU so as to service the intelligence agencies under the National Intelligence Authority in accordance with directives provided by the Director of Central Intelligence or his designated representative.

Previous War Department instructions relating to this problem are amended accordingly.

Secretary of War

(Enclosure B)

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